



City and County of Swansea

Minutes of the Pension Fund Committee

Committee Room 6 - Guildhall, Swansea

Thursday, 29 November 2018 at 10.00 am

Present: Councillor C E Lloyd (Chair) Presided

Councillor(s)

J P Curtice
D G Sullivan

Councillor(s)

P Downing
W G Thomas

Councillor(s)

M B Lewis

Neath Port Talbot Council Co-opted Member

P Rees

Advisors

W Marshall
N Mills

Advisor - Hymans Robertson
Independent Investment Advisor

Officer(s)

Karen Cobb
Jeffrey Dong

Senior Accountant
Interim Deputy Chief Finance Officer and Deputy S151
Officer.
Democratic Services Officer
Principal Lawyer

Allison Lowe
Stephanie Williams

Apologies for Absence

None.

28 Disclosures of Personal and Prejudicial Interests.

In accordance with the Code of Conduct adopted by the City & County of Swansea, the following interests were declared:

Councillor P Downing - agenda as a whole - my brother is a member of the Local Government Pension Scheme – personal.

Councillors J P Curtice, M B Lewis, C E Lloyd and W G Thomas - agenda as a whole – member of the Local Government Pension Scheme - personal.

Councillor P Rees - agenda as a whole – Daughter-In-Law is a member of the Local Government Pension Scheme - personal.

Councillor D G Sullivan - agenda as a whole – Daughter-In-Law works for the Authority and I am in receipt of a pension administered by Dyfed County Council Pension Scheme - personal.

Officers:

K Cobb, J Dong, A Lowe and S Williams – Agenda as a whole – Member of Local Government Pension Scheme – personal.

29 Minutes.

Resolved that the Minutes of the Pension Fund Committee held on 13 September 2018 be approved and signed as a correct record.

30 Administering Authority Discretions.

The Interim Deputy Section 151 Officer presented a report in relation to the discretions available to the City & County of Swansea Administering Authority under the relevant Local Government Pension Scheme Regulations.

Due to timescales, the report was presented “For Information” only as the relevant clearances had not been received. A full decision report would be presented to a future meeting.

31 Internal Controls Report.

The Interim Deputy Section 151 Officer provided a “For Information” report to inform Pension Fund Committee of reportable items contained within the internal controls reports of appointed fund managers.

The summary of exceptions for the last calendar year was attached at Appendix 1 for the City & County of Swansea’s appointed fund managers and custodian.

32 Breaches Report.

The Interim Deputy Section 151 Officer provided a “For Information” report which presented any breaches which had occurred in the period in accordance with the Reporting Breaches Policy.

Appendix A provided the details of breaches that occurred since the previous Pension Fund Committee in September 2018. The details of the breaches and the actions taken by the Management were highlighted.

33 Exclusion of the Public.

The Committee was requested to exclude the public from the meeting during consideration of the item(s) of business identified in the recommendation(s) to the report on the grounds that it / they involved the likely disclosure of exempt information as set out in the exclusion paragraph of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007 relevant to the item(s) of business set out in the report.

The Committee considered the Public Interest Test in deciding whether to exclude the public from the meeting for the items of business where the Public Interest Test was relevant as set out in the report.

Resolved that the public be excluded for the following items of business.

(Closed Session)

34 Wales Pension Partnership Update.

The Interim Deputy Section 151 Officer provided a "For Information" report which outlined the progress of the Wales Pension Partnership asset pooling.

Attached at Appendix 1 was the progress and update report provided by the Wales Pension Partnership (WPP) to the Minister for Housing, Communities and Local Government (MCHLG), in October 2018.

35 Investment Consultant Quarterly Report including Equity Protection Update.

William Marshall, Investment Consultant presented the quarterly investment and market update of the appointed investment consultant to the fund, including an update paper on the equity protection programme.

Further to which, The Deputy S 151 Officer updated committee on the procurement of equity protection. Evaluation Panel to meet on the 3rd Dec 2018, with a future extraordinary Pension Fund Committee being required to approve the appointment.

Attached at Appendix 1 was the quarterly report from Hymans Robertson, including a progress paper on the implementation of equity protection and how this may be used to efficiently provide some downside protection whilst it takes time to implement the fund's approved long term investment strategy.

Various questions were asked by the Committee, which were responded to accordingly. The Investment Consultant was thanked for the update.

36 Report of the Independent Advisor.

The "For Information" report presented the economic update and market commentary from the perspective of Mr Noel Mills, Appointed Independent Investment Advisor.

The quarterly report ending 30 September 2018 was attached at Appendix 1.

The content of the report was noted by the Committee and various questions were asked, which were responded to accordingly. The Appointed Independent Investment Advisor was thanked for his report.

37 Investment Summary.

The Interim Deputy Section 151 Officer provided a "For Information" report, which presented the investment performance for the quarter, year and 3 years ended 30 September 2018.

The quarterly investment summaries for the Pension Fund for the quarter, year and 3 years ended 30 September were attached at Appendix 1.

Resolved that the report be **noted**.

38 Fund Manager's Presentation(s):

Fixed Income – Goldman Sachs Asset Management.

A presentation was made by David Thomas and Ian Lindsay of Goldman Sachs Asset Management.

Questions in relation to the content of the presentation were asked by the Committee and responses were provided accordingly.

The content of the presentation was noted and the Chair thanked the Fund Managers for attending the meeting.

The meeting ended at 12.02 pm

Chair